



PROPOSED RULE MAKING

CR-102 (June 2004)

(Implements RCW 34.05.320)

Do **NOT** use for expedited rule making

Agency: Department of Retirement Systems

☒ **Preproposal Statement of Inquiry was filed as WSR 04-12-019 ; or**

☐ **Expedited Rule Making--Proposed notice was filed as WSR _____; or**

☐ **Proposal is exempt under RCW 34.05.310(4).**

☒ **Original Notice**

☐ **Supplemental Notice to WSR _____**

☐ **Continuance of WSR _____**

Title of rule and other identifying information: (Describe Subject)

Chapter 415-501 WAC , Deferred Compensation Plan. This chapter establishes the “deferred compensation plan” for employees of the state of Washington and approved political subdivisions of the state of Washington.

Hearing location(s):

Department of Retirement Systems
6835 Capitol Blvd.; Conference Room 115
Tumwater, Washington

Date: October 26, 2004 Time: 9:30 AM

Submit written comments to:

Leslie L. Saeger, Rules Coordinator
Department of Retirement Systems
P.O. Box 48380; Olympia, WA. 98504-8380
Email: leslies@drs.wa.gov
Fax: (360) 753-3166 by 5:00 p.m. on October 26, 2004

Assistance for persons with disabilities: Contact
Leslie L. Saeger, Rules Coordinator by October 18, 2004
TDD (360) 664-7291 TTY (360) 586-5450
Phone (360) 664-7291

Date of intended adoption: No sooner than October 27, 2004

(Note: This is **NOT** the **effective** date)

Purpose of the proposal and its anticipated effects, including any changes in existing rules: The proposed rules incorporate Internal Revenue Code and Treasury regulation updates, and clarify department policy and procedures. The chapter has also been rewritten to bring it into compliance with current clear-writing standards.

Reasons supporting proposal:

Statutory authority for adoption: RCW 41.50.050(5) and 41.50.780(10)

Statute being implemented: RCW 41.50.030(2); 41.50.770; IRC Section 457(b); and Treasury Regulations 1.457-1 through 1.457-10, and 1.457-12.

Is rule necessary because of a:

Federal Law? ☐ Yes ☒ No

Federal Court Decision? ☐ Yes ☒ No

State Court Decision? ☐ Yes ☒ No

If yes, CITATION:

DATE

NAME (type or print)

Leslie L. Saeger

SIGNATURE

TITLE

Rules and Contacts Coordinator

CODE REVISER USE ONLY

Filed with the
Office of the Code Reviser

September 8, 2004

WSR 04-19-024

(COMPLETE REVERSE SIDE)

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:

Name of proponent: (person or organization)

Department of Retirement Systems

☐ Private

☐ Public

☒ Governmental

Name of agency personnel responsible for:

Name	Office Location	Phone
Drafting..... Leslie Saeger	PO Box 48380, Olympia, WA 98504-8380	(360) 664-7291
Implementation.... George Pickett	PO Box 48380, Olympia, WA 98504-8380	(360) 664-7291
Enforcement.....George Pickett	PO Box 48380, Olympia, WA 98504-8380	(360) 664-7291

Has a small business economic impact statement been prepared under chapter 19.85 RCW?

☐ Yes. Attach copy of small business economic impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

☒ No. Explain why no statement was prepared.

These rules have no effect on businesses.

Is a cost-benefit analysis required under RCW 34.05.328?

☐ Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

☒ No: Please explain:

The Department of Retirement Systems is not one of the named departments in this section (RCW 34.05.328)

AMENDATORY SECTION (Amending WSR 02-01-121, filed 12/19/01, effective 1/1/02)

WAC 415-501-010 ~~((Deferred compensation plan established.))~~ What is the purpose of this chapter, and does it apply to me? ~~((In accordance with))~~ (1) This chapter establishes the "deferred compensation plan" according to the provisions of RCW 41.50.030(2), 41.50.088(2), 41.50.770, ~~((and))~~ 41.50.780, and ~~((as provided in))~~ Section 457 of the Internal Revenue Code~~((, the state of Washington hereby establishes the deferred compensation plan))~~. This plan is for employees of the state of Washington and approved political subdivisions of the state of Washington~~((, hereinafter referred to as the "plan." Nothing contained in this plan shall be deemed to constitute an employment agreement between the participant and the employer and nothing contained herein shall be deemed to give a participant any right to be retained in the employ of the employer))~~.

(2) This chapter does not:

(a) Apply to any other plan administered by the department;

(b) Constitute an employment agreement between the participant and the employer; or

(c) Give a participant any right to be retained in the employ of the employer.

AMENDATORY SECTION (Amending WSR 02-01-121, filed 12/19/01, effective 1/1/02)

WAC 415-501-110 Definitions. (1) **Accumulated deferrals.** Compensation deferred under the plan, adjusted by income received, increases or decreases in investment value, fees, and any prior distributions made.

(2) **Beneficiary.** A beneficiary of a participant, a participant's estate, or any other person whose interest in the plan is derived from the participant.

(3) **Compensation.** All payments made to a public employee by the employer as remuneration for services rendered.

(4) **Deferred compensation.** The amount of the participant's compensation ~~((which the participant and the employer shall mutually agree (prior to the date on which such compensation is earned) will be deferred))~~ that is deferred under a

participation agreement. See WAC 415-501-410.

(5) **Deferred compensation plan or plan.** A plan that allows employees of the state of Washington and approved political subdivisions of the state of Washington to defer a portion of their compensation according to the provisions of Section 457(b) of the Internal Revenue Code.

(6) **Department.** The department of retirement systems created by RCW 41.50.020 or its designee.

~~((+6+))~~ (7) **Eligible employee.** Any person who is employed by and receives any type of compensation from ~~((the))~~ an employer for whom services are provided, and who is a full-time, permanent part-time working half-time, or more, or career seasonal employee of the employer, whether or not covered by civil service; an elected or appointed official of the executive branch of the government, including any full-time member of a board, commission, or committee; a justice of the supreme court, or a judge of the court of appeals or of a superior court; or a member of the state legislature.

~~((+7+))~~ (8) **Eligible rollover distribution.** A distribution to a participant of any or all funds from an eligible retirement plan unless it is:

(a) One in a series of substantially equal annuity payments;

(b) One in a series of substantially equal installment payments payable over ten years or more;

(c) Required to meet minimum distribution requirements of the plan; or

(d) Distributed for hardship or unforeseeable emergency from a 457 plan.

~~((+8+))~~ (9) **Employee retirement benefits board.** The board created by RCW 41.50.086.

~~((+9+))~~ (10) **Employer.**

(a) The state of Washington; and

(b) Approved political subdivisions of the state of Washington.

~~((+10+))~~ (11) **Normal retirement age.** ~~((The range of ages))~~ An age designated by the participant for purposes of the three-year catch-up provision described in WAC 415-501-430(2). The participant may choose a normal retirement age between:

(a) The earliest age at which an eligible participant has the right to receive retirement benefits without actuarial adjustment ~~((under any employer authorized plan))~~ from his/her retirement plan with the same employer; and

(b) Age seventy and one-half.

~~((+11+))~~ (12) **Participant.** An eligible employee:

(a) Who has submitted a participation agreement that is approved by ~~((DRS))~~ the department; and

(b) Who either:

(i) Is currently deferring compensation under the plan; or

(ii) Has previously deferred compensation and has not received a distribution of his/her entire benefit under the plan.

~~((+12+))~~ (13) Participation agreement. The agreement executed by an eligible employee pursuant to WAC 415-501-410, in which the eligible employee chooses to become a plan participant.

~~((+13) Severance of employment. Termination of employment with an employer.))~~ (14) You, as used in this chapter, means a participant as defined in subsection (12) of this section.

NEW SECTION

WAC 415-501-312 What laws govern the administration of the plan? This plan is intended to be an eligible state deferred compensation plan within the meaning of Section 457(b) of the Internal Revenue Code and Washington state law. It is interpreted and administered accordingly.

The department is authorized to interpret the provisions of this plan and resolve any ambiguity in the plan. In the event any form or other document used in administering this plan conflicts with the terms of the plan, the terms of the plan prevail.

AMENDATORY SECTION (Amending WSR 00-11-104, filed 5/18/00, effective 6/18/00)

WAC 415-501-315 ~~((Employer responsibility.))~~ What are my employer's responsibilities? ~~((The))~~ An employer ~~((as plan sponsor))~~ has responsibilities including, but not limited to, monitoring for deferral limits and determining employees' eligibility to participate.

The department's administration of the plan does not replace the employer's responsibilities ~~((as the plan sponsor))~~.

AMENDATORY SECTION (Amending WSR 00-11-104, filed 5/18/00, effective 6/18/00)

WAC 415-501-320 ~~((Tax status not guaranteed.))~~ What are the tax consequences of participating in the plan? You should consult with your own representative regarding questions of federal or state income, payroll, personal property or other tax consequences arising from your participation in this plan. The department does not:

(1) Represent or guarantee that any particular federal or state income, payroll, personal property or other tax consequence will occur because of ~~((the participant's))~~ your participation in this plan;

(2) Assume any liability for ~~((a participant's))~~ your compliance with the Internal Revenue Code.

~~((The participant should consult with his/her own representative regarding all questions of federal or state income, payroll, personal property or other tax consequences arising from participation in this plan.))~~

AMENDATORY SECTION (Amending WSR 00-11-104, filed 5/18/00, effective 6/18/00)

WAC 415-501-330 ~~((Department to maintain records of accounts.))~~ Does the department maintain a record of my account? ~~((To facilitate an orderly administration of the plan,))~~ The department ~~((shall))~~ maintains ~~((or cause to be maintained))~~ a deferred compensation ~~((ledger))~~ account ~~((with respect to))~~ for each participant.

AMENDATORY SECTION (Amending WSR 00-11-104, filed 5/18/00, effective 6/18/00)

WAC 415-501-340 ~~((Deferred compensation accounts.))~~
Where is my deferred compensation deposited? ~~((All deferred compensation hereunder shall be paid into a special fund created in the treasury of the state of Washington called the "deferred compensation principal account." All costs of administration and staffing of the plan, expenses of the department, and such other amounts determined by the department and permitted by law, shall be paid as necessary out of the deferred compensation administrative account. Amounts in the deferred compensation principal account may be invested pursuant to RCW 41.50.770. All accumulated deferrals payable to participants or their respective beneficiary or beneficiaries shall be paid from the deferred compensation principal account unless otherwise paid.))~~
The department deposits deferred compensation into a special fund created in the treasury of the state of Washington called the "deferred compensation principal account." Amounts in the deferred compensation principal account may be invested according to RCW 41.50.770. All amounts payable to participants or their beneficiaries are paid from the deferred compensation principal account.

All costs of administering and staffing the plan, expenses of the department, and other amounts determined by the department and permitted by law, are paid out of the deferred compensation administrative account.

AMENDATORY SECTION (Amending WSR 00-11-104, filed 5/18/00, effective 6/18/00)

WAC 415-501-370 ~~((Decision binding.))~~ How are the rights of participants and beneficiaries determined? ~~((The department is authorized to determine any matters concerning the rights of any participant under this plan and such determination shall be binding on the participant and any beneficiary thereof.))~~ (1)
The department has the authority to decide all issues concerning the rights of participants and beneficiaries under the plan. The department's determination is binding on the participant and beneficiaries.

(2) A participant or beneficiary may file a petition for

review under chapter 415-04 WAC or an application under WAC 415-08-015(2) for review of a decision to deny an application for distribution pursuant to WAC 415-501-510.

AMENDATORY SECTION (Amending WSR 02-01-121, filed 12/19/01, effective 1/1/02)

WAC 415-501-380 ~~((Department may require court order.))~~
How are questions about distributions resolved? (1) The department ~~((or the employer, if in doubt concerning the correctness of their action in making a distribution of accumulated deferrals, may suspend distribution until satisfied as to the correctness of the distribution or the person to receive the distribution or to allow the filing in any state court of competent jurisdiction of a civil action seeking a determination of the amounts to be paid and the persons to receive them))~~ may suspend distribution of your accumulated deferrals in order to resolve issues beyond its authority, such as the correctness of the distribution, amount of the distribution, or identity of the entitled recipient(s). The suspension will continue until all issues are resolved, either by written agreement of all parties concerned or by final order of a court of competent jurisdiction. The department and ~~((the employer shall))~~ all involved parties must comply with the final order(s) of the court in any such suit~~((; and the participant, for the participant and the participant's beneficiary or beneficiaries, consents to be bound thereby))~~.

(2) Whenever a distribution ~~((of accumulated deferrals))~~ is suspended pursuant to this section, the time period for ~~((a participant or beneficiary))~~ making any choice under WAC 415-501-485 or 415-501-491 through 415-501-494 ~~((shall))~~ will not begin until ~~((amount(s) and person(s) entitled are determined either by a written agreement of all parties concerned or by a court judgment that has become final))~~ all issues are resolved.

AMENDATORY SECTION (Amending WSR 00-11-104, filed 5/18/00, effective 6/18/00)

WAC 415-501-390 ~~((Delegation of authority.))~~ **Can the department delegate its authority?** The department may delegate ~~((its))~~ functions ~~((to be))~~ performed under this plan to any designee with legal authority to perform such functions.

AMENDATORY SECTION (Amending WSR 00-11-104, filed 5/18/00, effective 6/18/00)

WAC 415-501-410 ~~((Enrollment.))~~ How do I enroll in the plan? (1) As an eligible employee, you may ~~((become a participant))~~ enroll in the plan by executing a participation agreement. ~~((Compensation will be deferred for any calendar month only if a participation agreement providing for such deferral is executed by the participant and approved by the department or its designee before the beginning of such month.))~~
(2) ~~((In signing the participation agreement, the participant elects to participate in this plan and consents to the employer deferring the amount specified in the participation agreement from the participant's gross compensation for each month. The amount specified shall continue until changed or suspended pursuant to WAC 415-501-450 or 415-501-470 of this plan.))~~ By signing the participation agreement, you authorize your employer to reduce your gross compensation each month by a specific amount. This amount will be contributed to your deferred compensation account. Your employer will reduce your compensation by the specified amount until you change the amount (WAC 415-501-450) or suspend contributions (WAC 415-501-470).
(3) Deferrals from your compensation will start during the calendar month after the month your participation agreement is approved by the department.

AMENDATORY SECTION (Amending WSR 02-01-121, filed 12/19/01, effective 1/1/02)

WAC 415-501-415 ~~((Transfers into plan from eligible retirement plans.))~~ May I move funds into the plan from an eligible retirement plan? (1) ~~((Ability to transfer in. A participant may transfer pretax contributions into the department's deferred compensation plan:~~
(a) ~~Through a direct transfer of an eligible rollover distribution from an individual retirement account (IRA) or from a former employer's retirement plan; or~~
(b) ~~Through a direct transfer from another 457 plan maintained by a participating political subdivision while the participant remains employed by the political subdivision.~~
(2) ~~Distributions from the plan attributable to amounts~~

~~transferred into the plan from non 457 plans may be subject to an additional 10% tax on early distributions. The department will keep a separate accounting of funds rolled into the plan from non-457 eligible retirement plans for this purpose.))~~

Rollover. You may roll pretax contributions into the plan from an individual retirement account (IRA) or from another eligible retirement plan.

(a) The plan will keep a separate accounting of all funds rolled into the plan.

(b) Distributions of money rolled into the plan may be subject to an additional ten percent tax on early distributions.

(2) **Plan-to-plan transfer.** You may transfer money into the plan from another eligible governmental Section 457(b) plan maintained by political subdivision, subject to the following conditions:

(a) The political subdivision also participates in DCP;

(b) The transferor plan allows direct plan-to-plan transfers; and

(c) You are employed by the political subdivision at the time of the transfer.

(3) **Rollover/transfer application.** You must complete the appropriate form to transfer or roll money over into ((a)) your deferred compensation account(~~(, a participant must complete the appropriate form)~~). Forms are available through the department or on its website (~~((http://www.wa.gov/drs/dep/))~~).

AMENDATORY SECTION (Amending WSR 02-01-121, filed 12/19/01, effective 1/1/02)

WAC 415-501-416 ((Transfers from plan into other eligible retirement plans.)) May I move funds from the plan into another eligible retirement plan? (1) ~~((Ability to transfer out.~~

~~Subject to the rules of the receiving plan, a participant may transfer funds from the department's deferred compensation plan:~~

~~(a) Through a rollover of an eligible rollover distribution into an individual retirement account (IRA) or another employer-sponsored retirement plan after separation from service;~~

~~(b) Through a direct transfer into another IRC section 457 plan after the participant severs employment;~~

~~(c) Through a direct transfer into another 457 plan maintained by a participating political subdivision made while the participant remains employed by the political subdivision; or~~

~~(d) To purchase eligible service credit under WAC 415-501-417.~~

~~(2) **Ability of surviving spouse to transfer out.** As a beneficiary, the surviving spouse of a participant may transfer eligible rollover distributions from the participant's account into his or her own eligible retirement plan.~~

~~(3) Funds that are transferred into a non 457 plan will be governed by the rules of the receiving plan.~~

~~(4) **Rollover application.** To transfer money from a deferred compensation account, a participant or the surviving spouse of a participant must complete the appropriate form. Forms are available through the department or on its website (<http://www.wa.gov/drs/dep/>)).~~ **Rollover.** Subject to the rules of the receiving plan, you may roll pretax contributions into an individual retirement account (IRA) or another eligible retirement plan after separation from service.

(2) **Plan-to-plan transfer.** You may transfer money:

(a) Through a plan-to-plan transfer into another eligible governmental Section 457(b) plan after you terminate employment, if the receiving plan allows the transfer and you are employed by the sponsor of the receiving plan.

(b) Through a plan-to-plan transfer into another eligible governmental Section 457(b) plan maintained by a political subdivision if the receiving plan allows the transfer and you are employed by the political subdivision both before and after the transfer.

(c) Through a plan-to-plan transfer to purchase service credit in a governmental Section 401(a) plan.

Transferred funds are governed by the rules of the receiving plan.

(3) Subject to the rules of the receiving plan, if your spouse becomes eligible to receive a distribution as beneficiary, your spouse may roll an eligible rollover distribution from his/her deferred compensation account into an eligible retirement plan in which he or she is a member.

(4) **Rollover/transfer application.** You or your spouse must complete the appropriate form to transfer or roll money over from your deferred compensation account. Forms are available through the department or on its website.

AMENDATORY SECTION (Amending WSR 02-01-121, filed 12/19/01, effective 1/1/02)

WAC 415-501-417 ~~((Using deferred compensation funds to purchase service credit.))~~ How do I purchase service credit in a qualified defined benefit retirement plan? (1) What is allowed. Subject to the requirements of the receiving retirement plan, ~~((a participant))~~ you may make a direct transfer of funds from ~~((his or her))~~ your deferred compensation account to purchase, restore, or reinstate ~~((eligible))~~ service credit in any qualified defined benefit government retirement plan.

(2) Who is eligible. ~~((Any plan participant))~~ You may transfer funds, whether or not you are employed at the time of the transfer.

(3) How to request a transfer.

(a) ~~((A participant))~~ You may request a transfer by submitting a completed form to the department.

(b) Forms are available through ~~((DRS))~~ the department or on its website ~~((http://www.wa.gov/drs/dep/))~~.

(4) Tax consequences. ~~((Participants))~~ You are advised to consult with a tax professional regarding the tax consequences of this transaction.

AMENDATORY SECTION (Amending WSR 02-01-121, filed 12/19/01, effective 1/1/02)

WAC 415-501-420 What are the annual deferral limits((-))? ~~((1))~~ Except as provided in WAC 415-501-430 (catch-up provisions), the maximum ~~((that a participant))~~ you may defer ~~((under the plan))~~ for any taxable year ~~((shall not exceed))~~ is the lesser of:

~~((a))~~ (1) One hundred percent of ~~((the participant's))~~ your includible compensation as defined in IRC Section 457 (e)(5), and Treasury Regulation 1.457.2(g), and determined without regard to community property laws; or

~~((b))~~ (2) The annual deferral ~~((amount))~~ limit in the following table:

For taxable year beginning in calendar year:	Annual deferral ((amount)) limit:
2001	\$8,500

2002	\$11,000
2003	\$12,000
2004	\$13,000
2005	\$14,000
2006	\$15,000
Beginning January 1, 2007	\$15,000 plus cost-of-living adjustments, if any, established by the IRS under 26 USC 457

~~((2)) "Includible compensation" for purposes of this section means includible compensation as defined in IRC Section 457 (e)(5), and as further defined by Treasury Department Regulation 1.457-2 (e)(2) interpreting that section, and is determined without regard to community property laws.))~~

AMENDATORY SECTION (Amending WSR 02-01-121, filed 12/19/01, effective 1/1/02)

WAC 415-501-430 ((~~"Catch-up" provisions.~~)) Are there exceptions to the annual deferral limits? ~~((Two "catch-up" options allow a participant to))~~ You may defer more than the annual deferral limit set ((forth)) in WAC 415-501-420 if you qualify to use one of the "catch up" provisions described in this section. ~~((A participant))~~ You may not use both catch-up provisions during the same taxable year.

(1) **Age fifty and over:** ~~((A participant))~~ You may defer a higher amount during any plan year in which ((the participant is)) you are age fifty or older. The maximum ((a participant)) you may defer each year ((shall be)) is the sum of:

(a) The annual deferral amount in WAC 415-501-420 for the current taxable year; and

(b) ~~((The lesser of:~~

~~(i) Compensation available for deferral; or~~

~~((ii)))~~ The amount in the following table:

For taxable year beginning in calendar year:	((Annual deferral amount:)) <u>Age 50 deferral limit:</u>
2002	\$1,000
2003	\$2,000

2004	\$3,000
2005	\$4,000
2006	\$5,000
Beginning January 1, 2007	\$5,000 plus cost-of-living adjustments, if any, established by the IRS under 26 USC 414

(2) **Three years before normal retirement age:** ((A participant)) You may defer a higher amount during a period of three consecutive years immediately preceding ((any)) the taxable year ((the participant reaches)) in which you reach normal retirement age as defined in WAC 415-501-110((+10)) (11). The maximum ((a participant)) you may defer during each of the three years ((shall be)) is the lesser of:

(a) Twice the annual deferral ((amount under)) limit established in WAC 415-501-420((+1)); or

(b) ((The sum of:

(i) The annual deferral amount in WAC 415-501-420(1); plus

(ii) The portion of the participant's annual deferral amount for any prior taxable year that the participant has not previously used under WAC 415-501-420 or this subsection.

(3) ~~For purposes of subsection (2)(b)(ii) of this section,~~) The sum of the annual deferral limit established in WAC 415-501-420, plus the portion of the annual deferral limit for any prior taxable year that you have not previously used.

(i) For years prior to 2002, amounts you deferred under certain other plans must be considered in determining the unused amount, consistent with Treasury Regulation 1.457-4(c)(3)(iv).

(ii) A prior taxable year ((shall)) may be taken into account only if:

((+a)) (A) It begins after December 31, 1978;

((+b) The participant was) (B) You were eligible, during any portion of the taxable year, to participate in the plan ((during any portion of the taxable year, or eligible to participate in an eligible 457 plan sponsored by another entity)); and

((+c)) (C) Compensation deferred under the plan during ((the taxable)) that year, ((+))if any((+)), was subject to a deferral limit under WAC 415-501-420.

AMENDATORY SECTION (Amending WSR 00-11-104, filed 5/18/00, effective 6/18/00)

WAC 415-501-440 ~~((Department may disallow deferral.))~~ **How are deferral limits monitored?** ~~((The participant acknowledges the right of the department to disallow deferral of compensation under the plan in excess of the limitations in WAC 415-501-420 and 415-501-430. However, the department shall have no duty to assure that amounts deferred are in compliance with such limitations.))~~ (1) Under WAC 415-501-315, employers will monitor deferrals to ensure that amounts deferred comply with the limitations in WAC 415-501-420 and 415-501-430.

(2) The department may also monitor deferrals and has the authority to disallow deferral of compensation in excess of the statutory limits.

(3) You must also monitor your deferrals to ensure that combined deferrals in two or more deferred compensation plans do not exceed the deferral limits.

(4) If the plan determines that your deferrals into the plan have exceeded the deferral limit, the excess deferrals will be distributed to you as soon as administratively practicable.

AMENDATORY SECTION (Amending WSR 00-11-104, filed 5/18/00, effective 6/18/00)

WAC 415-501-450 ~~((Modification of deferral or investment option(s).))~~ **May I change my deferral amount?** ~~((Deferral or investment option(s) may be changed. A participant))~~ You may change ((his/her deferral or investment option(s))) the amount of your deferred compensation through the methods established by the department. ((A beneficiary or beneficiaries entitled to receive accumulated deferrals may also change investment options.)) Deferral)) Changes may be made only in:

(1) Whole dollar increments ((or)); or

(2) Whole percentages if percentage deferrals are allowed for ((the participant's)) your employer.

A change in the ((deferral)) amount ((shall)) will be effective for any calendar month only if ((the participant notifies)) you notify the department ((or its designee)) of the change, through the methods available, prior to the month for which the change is requested and prior to the established

payroll cutoff date((~~7~~)) for ((~~the participant's~~)) your
employer((~~, for which the change will occur~~)).

AMENDATORY SECTION (Amending WSR 00-11-104, filed 5/18/00,
effective 6/18/00)

**WAC 415-501-475 ((~~Investment options.~~)) May I choose how I
want my deferred compensation invested? ((~~Each participant~~
~~shall designate on his/her participation agreement the~~
~~investment option(s) in which the participant wishes to have~~
~~funds invested. The investment option(s) shall be selected from~~
~~those options made available for this purpose from time to time~~
~~by the state investment board after consultation with the~~
~~employee retirement benefits board.~~**

~~Nothing in this section shall require the state investment
board to invest any amount in the investments selected. The
state investment board may open, change or close investment
options according to its investment policy, or change investment
managers for any investment option. When an investment option
is closed or substantially changed, the state investment board
may transfer the funds invested in that option to the investment
option that, in the board's judgment, most closely represents
the investment characteristics of the investment option being
closed or changed.))~~ (1) The state investment board, in
consultation with the employee retirement benefits board, makes
certain investment options available to plan participants. The
investment board may:

(a) Open, change, or close investment options according to
its investment policy; or

(b) Change investment managers for any investment option.

(2) You must designate on your participation agreement the
investment option(s) in which you wish to have your deferrals
invested.

(3) Changes in investment options.

(a) You may change investment options at any time through
the methods established by the department. You may change the
investment of your accumulated deferrals; the investment of your
future deferrals; or both.

(b) Beneficiaries receiving a distribution may change
investment options through the methods established by the
department.

(c) If the state investment board closes or substantially
changes an investment option, the state investment board may
transfer the funds invested in that option to another option
that, in the board's judgment, most closely represents the

investment characteristics of the option being closed or changed.

AMENDATORY SECTION (Amending WSR 00-11-104, filed 5/18/00, effective 6/18/00)

WAC 415-501-480 ~~((Designation of beneficiaries.))~~ How do I designate my beneficiaries? ~~((Each participant shall))~~ You have the right to designate a beneficiary or beneficiaries to receive your accumulated deferrals in the event of ~~((the participant's))~~ your death. ~~((If no such designation is in effect on a participant's death, the beneficiary shall be the surviving spouse. If there be no such surviving spouse, then the beneficiary shall be the participant's estate. A participant))~~ You may change ~~((his/her))~~ your beneficiary designation at any time by filing ~~((the appropriate))~~ a beneficiary change form with the department. The change will take effect upon the department's receipt of the beneficiary change form.

~~((The participant))~~ You may name:

(1) ~~((A designated))~~ An organization or person ~~((including without limitation his/her))~~, including unborn or later adopted children ~~((+))~~. ~~((If))~~ However, unborn or later adopted children ~~((are to be included, the designation must so indicate))~~ must be specifically designated as beneficiaries on the form. You must indicate the date of birth ~~((must be furnished))~~ for any living person ~~((who is named))~~ you name as a beneficiary.

(2) ~~((His or her))~~ Your estate.

(3) ~~((A))~~ An existing trust ~~((which is in existence,))~~ or ~~((which))~~ a trust that is to be established under ~~((the participant's))~~ your last will. For an existing trust, ~~((the participant))~~ you must provide a copy of the trust document and the name, address ~~((,))~~ and telephone number of the current trustee ~~((, and the tax identification number)).~~

~~((The participant))~~ You may name contingent beneficiaries in addition to primary beneficiaries.

AMENDATORY SECTION (Amending WSR 02-01-121, filed 12/19/01, effective 1/1/02)

WAC 415-501-485 ~~((Distribution to participant.))~~ How do I obtain a distribution? Distribution from the plan is governed by ~~((IRC))~~ Internal Revenue Code Sections 401 (a)(9) and 457(d)~~((7))~~; the treasury regulations interpreting these sections; and these rules to the extent they are not inconsistent with the Internal Revenue Code. The options for distribution are set forth in the *DCP Distribution Booklet*. The booklet will be mailed to ~~((the participant upon notification from the employer of severance from service))~~ you when your employer notifies the department of your termination of employment.

(1) **Date of distribution.** ~~((A participant))~~ You may choose the date on which to begin distribution from ~~((his or her))~~ your deferred compensation account, subject to the requirements in (a) through (c) of this subsection. The department must receive ~~((the election form))~~ a properly completed distribution form from you at least thirty days prior to the date distribution is to begin.

(a) **Earliest date.** ~~((Distribution to a participant))~~ You may not begin distribution prior to ~~((the participant's severance from))~~ your termination of employment, with the following ~~((three))~~ exceptions:

(i) A distribution for an unforeseeable emergency under WAC 415-501-510;

(ii) A voluntary in-service distribution under subsection (4) of this section; or

(iii) A distribution from ~~((non-457))~~ funds that were rolled into the deferred compensation account.

(b) **Latest date.** ~~((Distribution to a participant))~~ You must begin distribution on or before April 1st of the calendar year following the latter of:

(i) The calendar year in which ~~((the participant reaches))~~ you reach age seventy and one-half; or

(ii) The calendar year in which ~~((the participant))~~ you retire~~((s))~~.

(c) If ~~((a participant does))~~ you do not make a timely choice of distribution date, the department will begin distribution ~~((in accordance with))~~ according to the minimum distribution requirements in IRC Section 401 (a)(9).

(2) **Method of distribution.** ~~((The participant may))~~ You must choose a distribution method (amount and frequency) from

the payment options outlined in the *DCP Distribution Booklet*. Payment options include a lump sum payment, periodic payments, or an annuity purchase.

(a) Periodic payments must be at least fifty dollars per month (if paid monthly) or six hundred dollars per year.

(b) Beginning at age seventy and one-half or when you terminate employment, whichever comes later, payment must be in an amount to satisfy minimum distribution requirements in IRC Section 401 (a)(9).

(3) ~~((If the participant is rehired and reenrolls in the department's deferred compensation plan, the department will stop distribution to the participant and/or void any choices of distribution date and method made prior to reenrollment.~~

~~(4))~~ **Voluntary in-service distribution.** ~~((An active participant))~~ You may choose to ~~((receive an in-service distribution of))~~ withdraw the total amount payable to ~~((the participant))~~ you under the plan while you are employed if the following three requirements are met:

(a) The total amount payable to ~~((the participant))~~ you does not exceed five thousand dollars;

(b) ~~((The participant has))~~ You have not previously received an in-service distribution; and

(c) ~~((The participant's))~~ Your deferrals have been suspended during the preceding two-year period ending on the date of the in-service distribution.

(4) **Unforeseeable emergencies.** See WAC 415-501-510.

(5) **Rehire.** If you terminate and then return to employment for an eligible employer, you may reenroll in the plan. The department will stop your distribution, if applicable, and void any choices of distribution date and method made prior to reenrollment.

AMENDATORY SECTION (Amending WSR 02-01-121, filed 12/19/01, effective 1/1/02)

WAC 415-501-486 ~~((Distribution in the event of participant's death.))~~ How will my accumulated deferrals be distributed in the event of my death? If ~~((the participant dies))~~ you die before ~~((the))~~ your entire deferred compensation account has been distributed, accumulated deferrals ~~((shall))~~ will be paid to the beneficiary or beneficiaries you have designated ~~((by the participant pursuant))~~ according to WAC 415-501-480. If no beneficiary is designated or if the designated beneficiary does not survive ~~((the participant))~~ you by a period of thirty days, ~~((then))~~ accumulated deferrals ~~((shall))~~ will be paid to ~~((the participant's))~~ your surviving spouse, if any. If ~~((the participant has no))~~ you do not have a surviving spouse, the accumulated deferrals ~~((shall))~~ will be paid to ~~((the participant's))~~ your estate. Provisions regarding distribution to various classes of beneficiaries are set forth in WAC ~~((415-501-491))~~ 415-501-487 through 415-501-494.

AMENDATORY SECTION (Amending WSR 02-01-121, filed 12/19/01, effective 1/1/02)

WAC 415-501-487 ~~((Distribution in the event of beneficiary's death.))~~ If my beneficiary dies while receiving my accumulated deferrals, who will get the remainder of the account? ~~((If a beneficiary becomes entitled to receive accumulated contributions under WAC 415-501-486 but dies before the participant's account is fully distributed, accumulated deferrals shall become payable to the beneficiary's estate))~~ If your beneficiary dies while receiving distributions, any remaining balance will be paid to your beneficiary's estate. Distribution will take place in the second month following the notification of the beneficiary's death, unless benefits are being paid under an annuity you purchased ~~((by the participant))~~. If benefits were being paid under an annuity, distribution ~~((shall))~~ will be governed by the terms of the annuity contract.

NEW SECTION

WAC 415-501-488 How will the account be distributed if my beneficiary is my spouse? If you die before the entire account has been exhausted, your spouse beneficiary will receive your accumulated deferrals according to the provisions of this section.

(1) **Date of distribution.** Your spouse beneficiary may choose the date on which to begin receiving the distribution, provided:

(a) The spouse beneficiary notifies the department of the distribution date within ninety days from the date the department is notified of your death.

(b) The department receives the election form at least thirty days before distribution is to begin.

(c) Distribution begins on or before the first day of April of the calendar year following the latter of:

(i) The year you would have reached age seventy and one-half; or

(ii) The calendar year in which you die.

If the beneficiary does not make a timely choice of distribution date, the department will begin distribution according to the minimum distribution requirements in IRC 401 (a)(9).

(2) **Method of distribution.** The spouse beneficiary must choose a distribution method from the payment options outlined in the *DCP Distribution Booklet*, which will be mailed to your beneficiary when the department is notified of your death. Payment options include a lump sum payment or periodic payments, provided:

(a) The amount and frequency allows for distribution of the entire account balance during the beneficiary's life expectancy, as computed by the Department of Treasury in IRS Regulation 1.72.9; and

(b) Periodic distributions made by the department are at least fifty dollars per month, if paid monthly, or six hundred dollars per year.

AMENDATORY SECTION (Amending WSR 02-01-121, filed 12/19/01, effective 1/1/02)

WAC 415-501-491 ~~((Distribution to a beneficiary, if distribution to the participant has previously begun.))~~ How will the account be distributed if my beneficiary is not my spouse?
~~If ((a participant dies after distribution has begun but)) you die before the entire account has been exhausted((, the participant's beneficiary(ies) must receive distribution at least as rapidly as was being paid to the participant. The options for distribution are set forth in the department's DCP Distribution Booklet. The booklet will be mailed to beneficiaries upon the notification of the death of a participant)) and your beneficiary is not your spouse, your accumulated deferrals will be distributed according to the provisions of this section.~~

(1) Date of distribution. ~~((A beneficiary must choose a distribution date that is not less than ninety days from the date the department receives notification of the participant's death.))~~ A nonspouse beneficiary may choose the date on which to begin receiving the distribution, provided:

(a) The beneficiary notifies the department of the distribution date within ninety days from the date the department is notified of your death.

(b) The department receives the election form at least thirty days before distribution is to begin.

(c) Distribution begins on or before the first day of April of the calendar year following the latter of:

(i) The year you would have reached age seventy and one-half; or

(ii) The calendar year in which you die.

If the beneficiary does not make a timely choice of distribution date, the department will begin distribution according to the minimum distribution requirements in IRC 401(a)(9).

(2) Method of distribution. ~~((Subject to the requirements of (a) through (d) of this subsection, the))~~ A nonspouse beneficiary ((may)) must choose a distribution method ((amount and frequency)) from the payment options outlined in the DCP Distribution Booklet, which will be mailed to your beneficiary when the department is notified of your death. ((Payment options include)) Your beneficiary may choose a lump sum payment or periodic payments.

(a) ((The beneficiary must choose an amount and frequency

~~that allows for distribution of the entire DCP account during the beneficiary's projected life expectancy.~~

~~(b) Distribution must continue in an amount that is at least equivalent to the amount previously received by the participant.~~

~~(c) Periodic payments must be at least fifty dollars per month (if paid monthly) or six hundred dollars per year.~~

~~(d) Life expectancies will be computed by the Department of the Treasury and set forth in IRS Regulation 1.72-9.) If the nonspouse beneficiary begins distribution by the thirty-first day of December of the year following your death:~~

~~(i) The amount and frequency must allow for distribution of the entire account balance during the beneficiary's life expectancy, as computed by the Department of Treasury in IRS Regulation 1.72.9; and~~

~~(ii) Periodic distributions made by the department must be at least fifty dollars per month, if paid monthly, or six hundred dollars per year.~~

~~(b) If the nonspouse beneficiary does not begin distribution by the thirty-first day of December of the year following the year of your death, the entire account balance must be paid out within five years from the date of your death.~~

AMENDATORY SECTION (Amending WSR 02-01-121, filed 12/19/01, effective 1/1/02)

WAC 415-501-493 ((Distribution to an organization, estate, or trust as beneficiary.)) How will my accumulated deferrals be distributed if my beneficiary is an organization, estate, or trust? If ((the participant's)) your beneficiary is an organization, estate, or trust, the department will make the distribution as a lump sum in the second month following the ((notification of the participant's death)) receipt of all required information.

AMENDATORY SECTION (Amending WSR 02-01-121, filed 12/19/01, effective 1/1/02)

WAC 415-501-494 (~~(Distribution to minor beneficiaries.)~~)
How will the account be distributed if my beneficiary is a minor? (1) The department will distribute deferred compensation funds on behalf of a minor beneficiary only (~~((if it receives))~~) upon proof that the minor has either a court-appointed guardian or a custodian designated in compliance with RCW 11.114.030.

(2) If the department does not receive the proof in subsection (1) of this section, or if the guardian or custodian is unable or unwilling to serve, the department will request a court of competent jurisdiction to establish a guardianship under chapters 11.88 and 11.92 RCW. The department will make this request no sooner than one hundred eighty days after notification of (~~(the participant's)~~) your death, regardless of the amount at issue.

(3) After a guardianship or custodianship has been established, either by prior designation or by court order, the department will transfer the deferred compensation funds to the named guardian or custodian.

(4) If (~~((a participant has))~~) you have more than one minor beneficiary, a separate custodianship must be established for each minor. Each minor's interest must be determined in accordance with the governing instrument and applicable law. Only one person may be the custodian for each minor.

(5) (~~((Written confirmation from the guardian or custodian that the funds have been delivered))~~) Disbursement of funds to the guardian or custodian on behalf of the minor discharges the department from further liability (~~((for the deferred compensation funds transferred to the guardian or custodian on behalf of the minor))~~).

(6) The guardian or custodian may choose a deferred compensation distribution date and method on behalf of the minor, consistent with the requirements of this chapter.

AMENDATORY SECTION (Amending WSR 02-12-084, filed 6/4/02, effective 7/5/02)

WAC 415-501-495 Will the department honor domestic relations orders((+))? (1) The department will honor ~~((certain))~~ a domestic relations order~~((s))~~ (DRO) only if the order:

(a) Was entered by a court of competent jurisdiction.

~~((+2)) The department will honor a DRO only if it:~~

~~((+a))~~ (b) Establishes a right of a ~~((spouse or))~~ former spouse to a portion of ~~((a participant's))~~ your deferred compensation account pursuant to a division of property;

~~((+b))~~ (c) Clearly states either the dollar amount or a percentage of the account to be transferred to the account of the ~~((spouse or))~~ former spouse from ~~((the participant's))~~ your account; and

~~((+c))~~ (d) Provides ~~((the))~~ your name and date of birth ~~((of the participant)),~~ and ~~((the spouse or))~~ the name and date of birth of your former spouse.

~~((+3))~~ (2) You must provide the address and Social Security number of both you and your ~~((separated or))~~ former spouse to the department ~~((before the department will honor a DRO)).~~ This information ~~((can))~~ may be submitted in a cover letter, in another document, or by other means arranged with the department.

~~((+4))~~ (3) To implement a DRO, the department will establish a separate account for the ~~((spouse or))~~ former spouse in the amount specified in subsection ~~((+2)(b))~~ (1)(c) of this section. The amount will initially be invested in the savings pool. Thereafter, the ~~((spouse or))~~ former spouse may provide investment instructions under WAC 415-501-450.

~~((+5) The participant's spouse or)~~ (4) Your former spouse may choose a method of distribution, including a direct rollover.

~~((+6))~~ (5) If a DRO filed with the department prior to January 1, 2002, provides that distribution to the former spouse is not available until ~~((the participant))~~ you separate~~((s))~~ from service, the department will comply with the express terms of the order unless it is subsequently amended.

(6) If the former spouse has not elected another method of distribution by age seventy and one-half, the department will begin distribution in accordance with the minimum distribution requirements in IRC 401 (a)(9).

(7) If the former spouse dies before the account is fully

distributed, the remaining balance will be paid to the former spouse's estate.

AMENDATORY SECTION (Amending WSR 02-02-059, filed 12/28/01, effective 1/1/02)

WAC 415-501-510 ~~((Unforeseeable emergency.))~~ May I have some or all of my accumulated deferrals in the event of an unforeseeable emergency? (1) ~~((Distribution request.))~~

~~Notwithstanding any other provisions in ((plan chapter 415-501 WAC, in the event of an unforeseeable emergency, a participant)) this chapter, you may request ((the department to distribute)) all or a portion of your accumulated deferrals in the event of an unforeseeable emergency. ((If the request is approved by the department,)) Distribution will be made within sixty days following ((such an approval)) the department's approval of your request. The amount paid ((shall)) will be limited strictly to that amount reasonably necessary to satisfy the emergency need.~~

~~(2) For purposes of this plan, an unforeseeable emergency ((shall be)) is severe financial hardship to ((the participant)) you resulting from:~~

~~(a) A ((sudden and unexpected)) personal illness or accident ((of the participant or of a)) or the illness or injury of a spouse or dependent ((as defined)) who meets the definition in Section 152(a) of the Internal Revenue Code((of the participant,));~~

~~(b) Loss of ((the participant's)) your property due to casualty, including the need to rebuild a home following damage not otherwise covered by homeowner's insurance, e.g., as a result of natural disaster; or~~

~~(c) Other similar extraordinary and unforeseeable circumstances arising as a result of events beyond ((the)) your control ((of the participant)).~~

~~(3) The circumstances that ((will)) constitute an unforeseeable emergency ((will)) depend upon the facts of each case, but, in ((any)) no case((, distribution shall not be made to the extent that such)) will the department approve a distribution request if the financial hardship is or may be relieved:~~

~~(i) Through reimbursement or compensation by insurance or otherwise;~~

~~(ii) By liquidation of ((the participant's)) your assets, to the extent liquidation of such assets would not itself cause severe financial hardship; or~~

~~(iii) By cessation of deferrals under the plan.~~

~~(4) Examples ((of what shall not be considered to be unforeseeable emergencies include the need to send a participant's child to college or the desire to purchase a home.~~

~~A divorce does not constitute an "unforeseeable emergency" or "severe financial hardship."~~

~~(2) **Applications for review.** All applications for review of decisions on requests for distribution of accumulated deferrals due to an unforeseeable emergency shall follow the procedure established in WAC 415-08-015.~~

~~(3) **Mandatory suspension.**)):~~

~~(a) The following types of occurrences are not considered unforeseeable emergencies:~~

~~(i) Sending your child to college; or~~

~~(ii) Purchasing a home.~~

~~(b) The following types of occurrences may be considered unforeseeable emergencies, depending on the facts in each case:~~

~~(i) Imminent foreclosure of or eviction from your primary residence;~~

~~(ii) Medical expenses, including nonrefundable deductibles, and/or the cost of prescription drug medication;~~

~~(iii) Funeral expenses of your spouse or a dependent as defined in Section 152(a) of the Internal Revenue Code; and~~

~~(iv) Extraordinary expenses resulting from a divorce.~~

~~(5) If the department denies your request for distribution, you may request a review of that decision according to the provisions of WAC 415-08-015.~~

~~(6) Unforeseeable emergency requests received by the department, whether approved or denied, will cause a mandatory suspension ((of the participant as established in WAC 415-501-470)) of deferrals to the plan. You may not resume deferrals sooner than six months from the date of suspension.~~

AMENDATORY SECTION (Amending WSR 00-11-104, filed 5/18/00, effective 6/18/00)

WAC 415-501-520 ((Leave of absence.)) **May I stay in the plan if I am on a leave of absence?** If ((a participant is)) you are on an approved leave of absence from the employer, participation in this plan ((shall)) will continue.

AMENDATORY SECTION (Amending WSR 02-01-121, filed 12/19/01, effective 1/1/02)

WAC 415-501-530 ~~((Termination of plan.))~~ What happens if the plan is terminated? ~~The ((employer or the department may at any time))~~ legislature may terminate this plan at any time. Upon such termination, accumulated deferrals will be ((paid pursuant to this chapter)) distributed to all plan participants and beneficiaries as soon as administratively possible. The participants' deferrals will cease.

AMENDATORY SECTION (Amending WSR 00-11-104, filed 5/18/00, effective 6/18/00)

WAC 415-501-540 ~~((Amendment of plan.))~~ Does the department have the right to amend the plan? To the extent not inconsistent with state and federal law, the department may amend the provisions of this plan at any time((:—Provided, however, That)). No amendment ((shall)) will affect the rights of participants or their beneficiaries regarding accumulated deferrals at the time of the amendment.

AMENDATORY SECTION (Amending WSR 00-11-104, filed 5/18/00, effective 6/18/00)

WAC 415-501-550 ~~((Retirement and Social Security not reduced.))~~ Will my retirement benefit be affected by the amount of compensation I defer? ~~((It is intended that, pursuant to Section 457 of the Internal Revenue Code, the amount of deferred compensation will not be considered as current compensation for purposes of federal income taxation. Such amounts will, however, be included as compensation in determining benefits or rights under the employer's group insurance, other retirement plans and FICA. Distributions under this plan will supplement retirement and death benefits payable under the employer's group insurance and other retirement plans.))~~ Deferred amounts are included as compensation in determining benefits or rights under the employer's group insurance and retirement plans.

AMENDATORY SECTION (Amending WSR 00-11-104, filed 5/18/00, effective 6/18/00)

WAC 415-501-560 ((~~Assets in lieu of cash.~~)) May I receive assets in lieu of cash? Upon the occurrence of any event requiring the distribution of accumulated deferrals under this plan, the department may, in its sole discretion, elect to honor a request from the participant to substitute the transfer in kind and assignment of any asset ((~~which~~)) that the employer has acquired, at fair market value.

AMENDATORY SECTION (Amending WSR 00-11-104, filed 5/18/00, effective 6/18/00)

WAC 415-501-570 ((~~Accumulated deferrals not assignable.~~)) May I transfer or assign my accumulated deferrals? Neither ((~~the participant, nor the participant's beneficiary or~~)) You, your beneficiaries, nor any other designee, has any right to sell, assign, transfer, commute, or otherwise convey the right to receive any distributions under the plan. These distributions and right thereto are nonassignable and nontransferable. Unpaid accumulated deferrals are not subject to attachment, garnishment, or execution and are not transferable by operation of law in event of bankruptcy or insolvency, except to the extent otherwise required by law. In the event of any attempt to assign or transfer, the state investment board and the department will have no liability.

AMENDATORY SECTION (Amending WSR 00-11-104, filed 5/18/00, effective 6/18/00)

WAC 415-501-580 ((Plan assets.)) How are the plan's assets protected for the exclusive benefit of participants and beneficiaries? Despite any contrary provision of the plan, in accordance with Section 457(g) of the Internal Revenue Code, all compensation deferred under the plan, all property and rights purchased with such compensation, and all income attributable to such compensation, property, or rights ~~((shall))~~ will be held in trust for the exclusive benefit of participants and beneficiaries under the plan. Any trust under the plan ~~((shall))~~ will be established under the laws of Washington.

All amounts of compensation deferred under the plan ~~((shall))~~ will be transferred to a trust established under the plan within a period that is not longer than is reasonable for the proper administration of the accounts of participants. Under RCW 41.50.780(4) the state investment board is made trustee of state deferred compensation plan assets.

AMENDATORY SECTION (Amending WSR 00-11-104, filed 5/18/00, effective 6/18/00)

WAC 415-501-590 ((Participation by department officers and employees and members of the employee retirement benefits board.)) Are department officers and employees and members of the employee retirement benefits board eligible to participate in the plan? Department officers and employees and members of the employee retirement benefits board, who are otherwise eligible, may participate in the plan under the same terms and conditions as apply to other participants~~((; but))~~. Such officers, employees, or board members ~~((shall))~~ may not participate in any department or board action uniquely affecting their own participation.

EMPLOYER ((PARTICIPATION)) CONTRIBUTIONS

AMENDATORY SECTION (Amending WSR 02-01-121, filed 12/19/01, effective 1/1/02)

WAC 415-501-600 ~~((Employer contributions.))~~ Is my employer allowed to contribute to my deferred compensation account? The employer may, pursuant to WAC 415-501-450 ~~((or 415-501-470))~~, add additional deferred compensation for services ~~((to be rendered by the employee))~~ you provided to the employer during any calendar month, provided:

(1) ~~((The employee has))~~ You elected to have such additional compensation deferred~~((, invested, and distributed,))~~ pursuant to this plan, prior to the calendar month in which the compensation is earned; and

(2) Such additional deferred compensation, when added to all other deferred compensation under the plan, does not exceed the maximum deferral permitted by this chapter.

AMENDATORY SECTION (Amending WSR 00-11-104, filed 5/18/00, effective 6/18/00)

WAC 415-501-610 ~~((Investment responsibility.))~~ What is the state investment board's responsibility regarding investments? Action by the state investment board as plan trustee or by the department as plan administrator ~~((will not be considered))~~ is not an endorsement or guarantee of any investment. Such action will not be considered to attest to the financial soundness or the suitability of any investment for the purpose of meeting future obligations.

~~((APPLICABLE LAW))~~

REPEALER

The following sections of the Washington Administrative Code are repealed:

WAC 415-501-020	Separate plan.
WAC 415-501-305	Department to interpret.
WAC 415-501-310	Administered by department.
WAC 415-501-350	Department and employee retirement benefits board actions.
WAC 415-501-360	Plan prevails.
WAC 415-501-470	Suspension and reinstatement of deferrals.
WAC 415-501-492	Distribution to a beneficiary, if distribution to the participant has not begun.
WAC 415-501-710	Plan to conform to state law.
WAC 415-501-720	Plan to conform to federal law.